

## SUMMARY OF BUSINESS OPPORTUNITY

The following summarizes the key elements of the National Park Service ("Service") Draft Concession Contract CC-EVER001-16 ("Draft Contract"), which will authorize the operation of lodging, camping, tour boat, food and beverage, retail, and other services within the Flamingo and Long Pine Key districts at Everglades National Park.

The Service has been given specific legislative authority in Public Law 105-391 (the "Act") to issue concession contracts, and the Draft Contract will be subject to that law. In the event of any inconsistency between the terms of the Draft Contract and this summary, the Draft Contract will control.

### ***Overview of Concession Services to be Required and Authorized***

A summary of Required and Authorized concession services under the Draft Contract is provided below in Exhibit S-1. The Concessioner under the Draft Contract ("Concessioner") must provide the Required services and may, at its option, provide the Authorized services. The Concessioner will submit a plan to the Superintendent detailing how, when, and where Authorized services will be provided. The Superintendent must give prior approval before the Concessioner may provide any Authorized services, or offer any merchandise for sale in connection with all Required and Authorized services under the Draft Contract.

**Exhibit S-1. Required and Authorized Services in the Draft Contract**

Required Services	Location
Lodging	Flamingo
Camping	Flamingo and Long Pine Key
Boat Tours	Florida Bay and Whitewater Bay
Food & Beverage	Flamingo
Retail	Flamingo
Fuel Sales	Flamingo
Equipment Rentals	Flamingo
Marina Services including Houseboat Rentals	Flamingo
Boat Portage Service	Flamingo
Authorized Services	
Lodging	Flamingo
Guided Fishing, Canoeing, and Sailing	Florida Bay and Whitewater Bay
Fish Cleaning and Freezing	Flamingo
Visitor Shuttle To Canoe Launch Sites	Flamingo
Mobile Food Service	Long Pine Key
Special Events	Flamingo and Long Pine Key
Chase/Tow Boat Service	Flamingo
Camping Set-up	Flamingo and Long Pine Key

*Source: National Park Service*

### **Concession Facilities Improvement Program (New Construction)**

The Concessioner must undertake and complete a Concession Facilities Improvement Program (CFIP) costing no more than \$6 million and no less than \$5 million. If the Concessioner demonstrates to the Director that it can build the facilities at or exceeding the quality required by the Director for less than the minimum amount required for the project, the Director may relieve the Concessioner of the requirement to expend the minimum amount identified. The CFIP includes construction of 24 new elevated cottages, construction of foundations for 20 eco-tents, construction of an elevated restaurant to contain retail space and an overnight accommodation check-in area not to exceed 4,000 square feet, and associated utilities upgrades, and other



infrastructure, landscaping, and site work. The elevated cottages will be located near the site of the previous lodge, the eco-tents will be located in the walk-in campground, and the restaurant will be located near the elevated cottages. The Concessioner should factor service areas (service laundry, linen storage, etc.) in its construction design. These cost estimates include the personal property required to operate the facilities. Please refer to Exhibit S-1 above for details of these locations.

**Exhibit S-2. Estimated CFIP Construction Cost\***

Description	Total Estimated Net Construction Cost
<b>Studio Guest Cottages (4)</b>	\$393,000
<b>1-bedroom Guest Cottages (12)</b>	\$1,388,000
<b>2-bedroom Guest Cottages (8)</b>	\$1,106,000
<b>Cottage Area Infrastructure and Site work, ADA Ramp</b>	\$768,000
<b>Eco-tent Foundations (20) (<i>tents are personal property</i>)</b>	<b>\$102,000</b>
<b>Eco-tent Area Infrastructure and Site work</b>	<b>\$195,000</b>
<b>Maintenance Area Storage Unit</b>	<b>\$41,000</b>
<b>Restaurant with Retail and Lodging/Campground Check-in</b>	<b>\$1,320,000</b>
<b>Total Net Construction Cost</b>	<b>\$5,345,000</b>

Source: National Park Service

\*Amounts do not include personal property.

### **Concession Facilities**

An itemized chart and map showing assigned land and real property improvements ("Concession Facilities") can be found in Exhibit D to the Draft Contract, which is presented in Part IV of this Prospectus. The Concessioner will be responsible for maintenance, repairs, housekeeping, and grounds-keeping of the Concession Facilities, as provided in the Draft Contract and the Operating Plan, Exhibit B to the Draft Contract.



### Estimate of Initial Investment

The next exhibit shows the Service's estimate of the Concessioner's required initial investment at the commencement of the Draft Contract in 2016 dollars. This includes new construction, personal property, inventory, deferred maintenance, start-up costs and working capital (staff hiring, training, etc.).

Exhibit S-3. Estimated Initial Investment <sup>1</sup>	
Item	Estimated Amount (2016 Dollars)
Concession Facilities Improvement Program (New Construction)	\$5,350,000
Leasehold Surrender Interest	\$0
Personal Property	\$1,366,000
Inventory Investment	\$87,000
Deferred Maintenance (2016 and 2017)	\$347,000
Start-up Costs and Working Capital	<b>\$307,000</b>
<b>TOTAL</b>	<b>\$7,457,000</b>

Source: National Park Service

<sup>1</sup> These estimates are not warranted by the Service and the Service is not bound by these estimated amounts. All Offerors are responsible for conducting their own due diligence and calculating their own initial investment estimates.

### Leasehold Surrender Interest

LSI is defined in the Contract and its associated exhibits. There is no LSI in the Existing Contract.

### Annual Revenue

The following exhibit shows historical revenue from the operations under the Existing Contract (no lodging or campgrounds).

Exhibit S-4. Historical Annual Revenue			
	2011	2012	2013
Total Revenue	\$1,626,411	\$1,726,947	\$1,804,425

Source: National Park Service

### Repair and Maintenance Reserve

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve for repair and maintenance projects non-recurring within a seven-year time frame. The Service estimates the contribution to this fund at approximately zero point seven percent (0.7%) of gross receipts per year dedicated to this reserve account.

### Preferred Offeror Determination

The 1998 Concessions Act includes the limited right of preference in renewal for statutorily defined outfitter and guide services and small contracts. The Service has determined, pursuant to 36 C.F.R. Part 51, there is no "preferred offeror" who is eligible to exercise a right of preference for the award of the Draft Contract. The solicitation for commercial service is fully competitive.



**Minimum Wage**

The minimum wage for federal contractors established by Executive Order 13658 and 29 CFR Part 10 will apply to the Draft Contract and is included in the analysis of the minimum franchise fee. In estimating the minimum wage requirements of the Draft Contract and their impact on the minimum franchise fee, the Service estimated the Consumer Price Index for All Urban and Clerical Workers, U.S. City Average ("CPI-W") will increase annually by two and four tenths percent (2.4%) over the term of the Draft Contract. As stated in 29 CFR Part 10, the actual minimum wage for federal contractors during the term of the Draft Contract will be evaluated each year by the United States Department of Labor based on the annual change in the CPI-W.

**Franchise Fee**

The Service estimates a minimum franchise fee of approximately **two and nine-tenths percent (2.9%)** of the annual gross receipts for the preceding year. Offerors, however, may propose a higher minimum franchise fee.

**Contract Term**

The term of the Draft Contract is twenty (20) years, the maximum length allowed by law. This term reflects the challenges with restarting the lodging operations and rebuilding the food and beverage and retail operations. The Service estimates a beginning date of May 1, 2016. If the Concessioner fails to complete the CFIP to the satisfaction of the Director within the time specified, then this Contract shall be for the term of five years until its expiration on or about April 30, 2021.

**Site Visit**

A one-day site visit is scheduled on the date listed on the inside front cover of this Prospectus. If you intend on attending the site visit and would like more information, please contact Bill Stevens at the following address, phone number, or e-mail:

Attn: Bill Stevens, Commercial Services  
National Park Service, Southeast Regional Office  
100 Alabama St, SW, Bldg 1924, 5th Floor  
Atlanta, GA 30303  
Phone: (404) 507-5636  
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The site visit will be an opportunity for all interested parties to get an overview of the proposed concession operations areas, along with a tour of common use and Concession Facilities associated with the Draft Contract.

